

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF ARIZONA**

Minute Entry

Hearing Information:

Debtor: FIRST MAGNUS FINANCIAL CORPORATION
Case Number: 4:07-BK-01578-EWH **Chapter:** 11
Date / Time / Room: THURSDAY, JUNE 18, 2015 09:00 AM COURTROOM 430
Bankruptcy Judge: EILEEN W. HOLLOWELL
Courtroom Clerk: LUPE MARTINEZ
Reporter / ECR: ANN MARIE VENTURA

Matter:

STATUS HEARING SET BY THE COURT (reset from 6/12/15)
R / M #: 1 / 0

Appearances:

TODD A. BURGESS, ATTORNEY FOR MORRIS C. AARON, FIRST MAGNUS FINANCIAL CORPORATION, Appearing by Telephone
MICHAEL WARNER, ATTORNEY FOR THE ADVISORY BOARD, Appearing by Telephone
JOE COLEMAN, ATTORNEY FOR LITIGATION TRUSTEE, Appearing by Telephone

Proceedings:

COURT: THIS IS A STATUS HEARING SET BY THE COURT. IT NOTES THAT A MOTION FOR FINAL DECREE AND TO CLOSE THE CASE HAS BEEN FILED. THE REASON IT HAS BEEN SETTING STATUS HEARINGS ON ITS REMAINING CASES, IS BECAUSE IT IS TRYING TO EITHER MAKE SURE THEY CAN GET CLOSED BEFORE THE END OF THE CALENDAR YEAR OR TRANSFER THEM TO A FULL TIME JUDGE. IT ASKS MR. BURGESS WHERE HE THINKS THIS CASE FITS IN THOSE TWO CHOICES.

MR. BURGESS REPLIES THAT HE THINKS THIS CASE SHOULD BE CLOSED HOPEFULLY EARLY IN THE THIRD QUARTER. THE TRUSTEES HAVE BOTH COMPLETED THEIR WORK, AND AS THIS COURT NOTED, THEY FILED A MOTION FOR FINAL DECREE. THE LITIGATION TRUSTEE FILED HIS REPORT YESTERDAY. ALL THOSE PAPERS ARE BEING SERVED TODAY AND THEY WILL BE FILING A CERTIFICATE OF SERVICE. THEY ARE LOOKING AT A JULY 8TH DEADLINE FOR ANY OBJECTIONS TO THE MOTION FOR ENTRY OF THE FINAL DECREE. AFTER THE END OF THE SECOND QUARTER, THEY WILL FILE A FINAL POST-CONFIRMATION REPORT. THE LIQUIDATING TRUSTEE IS CURRENT ON ALL U.S. TRUSTEE'S FEES, THERE MAY BE A SMALL AMOUNT THAT IS OWED FOR THE SECOND QUARTER BUT THEY CAN TAKE CARE OF THAT WITH THE U.S. TRUSTEE. THIS CASE IS FINALLY READY TO BE CLOSED, AND TO THE EXTENT THAT AN OBJECTION IS FILED FOR THE ENTRY OF FINAL DECREE, THEY WILL NEED A HEARING.

COURT: IT WILL GIVE HIM A BACK-UP HEARING DATE FOR THAT. IT IS GOING TO BE GONE MOST OF THE MONTH OF JULY AND A GOOD PART OF AUGUST BUT IT CAN SIGN ORDERS EVEN ON THE ROAD. IF THERE ARE NO OBJECTIONS AND HE IS READY TO UPLOAD THE ORDER, HE IS TO EMAIL MS. MARTINEZ. IF THERE IS AN OBJECTION, THE BACK-UP HEARING IS FRIDAY, SEPTEMBER 11, 2015 AT 10:00 A.M. IT ASKS IF ALL OF THE EMPLOYEE'S PRIORITY CLAIMS HAVE BEEN PAID.

MR. BURGESS REPLIES YES, THEY HAVE. HE DOES NOT HAVE THE EXACT FIGURE, BUT HE BELIEVES IT WAS CLOSE TO \$19 MILLION TO EMPLOYEES. ALL OF THE PRIORITY CLAIMS ARE PAID, ALL OF THE ADMINISTRATIVE CLAIMS ARE PAID, AND THERE WILL BE A SMALL AMOUNT TO DISTRIBUTE TO UNSECURED CREDITORS.

COURT: IT KNOWS THAT JUDGE MARLAR WAS VERY CONCERNED ABOUT THE PAYMENT TO THE EMPLOYEES SO IT BELIEVES HE WILL BE PLEASED TO HEAR THAT THAT HAS OCCURRED. IT ASKS IF ANYONE ELSE WISHES TO BE HEARD ON THIS MATTER, AND NO ONE DOES. IT KNOWS IT WAS A TOUGH CASE AND IT CONGRATULATES THE ATTORNEYS. IT WILL WAIT FOR THE ORDER, AND IF AN OBJECTION IS FILED, IT WILL DEAL WITH IT ON SEPTEMBER 11, 2015. IT WILL NOT TRANSFER THE CASE, BUT JUST SO THE PARTIES KNOW, THE CASE WILL CLOSE SHOWING THAT THIS COURT IS THE PRESIDING JUDGE, BUT IF FOR SOME REASON THE CASE NEEDS TO BE REOPENED, IT WILL AUTOMATICALLY GET ASSIGNED TO ONE OF THE FULL-TIME JUDGES. IT CAN NEVER BE ASSIGNED TO A TUCSON JUDGE, IT WILL HAVE TO BE ASSIGNED TO ONE OF THE PHOENIX JUDGES BECAUSE BOTH JUDGE WHINERY AND JUDGE GAN HAD SOME INVOLVEMENT IN THIS CASE WHEN THEY WERE PRACTICING.